

Doing Business *with* USDA

Federal Biobased Product Preference Procurement Program

Introduction

7 CFR Part 2902, Subpart A, Section 2902.4 (f) of the Office of Chief Economist's, Office of Energy Policy and New Uses (OEPNU), final rule, "Guidelines for Designating Biobased Products for Federal Procurement" and Section 9002 (f) of the Farm Security and Rural Investment Act of 2002 (FSRIA) directs the Office of Federal Procurement Policy (OFPP) in coordination with the Department of Agriculture (USDA) to integrate the purchase of biobased products into the Federal procurement framework. To this end, USDA is developing a biobased product procurement preference program that will be offered to other Federal agencies as a model. The goal of the procurement program is to increase the Government's purchase and use of biobased products.

Biobased products- What are They?

A biobased products is a product determined by the Secretary of Agriculture to be commercial or industrial product (other than food or feed) that is composed in whole, or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

Benefits of Using and Procuring Biobased Products


Annually, the federal government purchases billions of dollars of products and services. Some of these products, and products used in the delivery of certain services, can be produced from biobased resources and used in lieu of currently used products derived from non-renewable resources. Use of biobased products holds the promise of:

- creating new domestic demand for many agricultural commodities that can serve as feedstocks for production of biobased products;
- spurring the industrial base through value-added agricultural processing and manufacturing in rural communities; and
- enhancing the Nation's energy security by substituting domestically produced biobased products for those made from fossil energy-based products derived from imported oil and natural gas.

The Federal Role

The USDA final guidelines for the Federal Biobased Product Procurement Preference Program were Published in Federal register on January 11, 2005. All agencies are required to have a preferred procurement program in place by January 11, 2006. A Biobased Procurement Preference Program must consist of:

- a biobased product preference program;
- a biobased product procurement promotion program; and
- an annual review and monitoring of program effectiveness.



To establish a preference for the procurement of biobased products, the items must first be designated. The process involved in designating “items” (which are actually groupings of products) is very complex and takes a considerable amount of time to accomplish. As a result, the designation process has a bearing on the timeframes within which Government agencies implement their biobased product procurement preference programs.

Once designated, the products/items must:

- be reasonably available,
- meet performance standards, and
- be reasonably priced—Or the agency need not acquire it.

There are many other aspects to the biobased product procurement preference program, including, for example, product testing and labeling. For more information about biobased products, please refer to the USDA Office of Chief Economist website at <http://www.biobased.oce.usda.gov>.

Issued by:

USDA Office of Procurement & Property Management (www.usda.gov/procurement/) and
USDA Office of Small & Disadvantaged Business Utilization (www.usda.gov/osdbu)

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